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SUBJECT: MEDIA REACTION: IRAN, EAST ASIA, CHINA TRADE POLICY

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Editorial Quotes  
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[1](#)1. IRAN

"China could take more initiative on the Iran issue"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(09/29)(pg 14): "In the past, China could, together with Russia, oppose U.S., UK, and French proposals on Iran. However, now that the U.S. has traded its deployment of a missile defense system in Eastern Europe for Russia's acceptance of the West's proposal, China is in the embarrassing situation of having to choose sides in the confrontation between Iran and the West. China, as a leader among developing countries, cannot just follow the West, nor will it support separatists in Iran, North Korea, or Burma. China should consider a third possibility: submitting its own proposal to the UN Security Council to mediate the conflict between the two sides and provide a platform for dialogue and negotiation. In this way, China will prove it is a responsible power, avoid having to choose sides, and potentially emerge as a winner in global diplomacy."

[1](#)2. EAST ASIA

"Relations between China, Japan, and the U.S. and the proposal for an 'East Asian community'"

The China Radio International sponsored newspaper World News Journal (Shijie Xinwenbao)(09/29)(pg 24): "The U.S.'s objection to Japan's bid to host the next G20 summit is meant to teach a lesson to Japan after it called for an 'East Asian community.' The U.S. is extremely vigilant about such an 'East Asian community' because the U.S. lacks confidence in itself. On the G20 summit, the intensified battle between the U.S. and the EU over the future of the dollar and the euro has made East Asia the most important region for both sides, since China and Japan, the two big countries in the region, will play a crucial role in this respect. When China is vague on disputes between the U.S. and the EU, the U.S. has to rely primarily on Japan's loyalty. There has been a rule governing relations between China, the U.S., and Japan over the last few decades: when China-U.S. relations are good, China-Japan relations suffer, and vice versa. This is the first time ever that both relationships are in good shape, which indicates that something new is happening between East Asia and the U.S. How far Japan will go on its 'East Asian community' proposal still depends on the U.S.'s position on this issue."

[1](#)3. CHINA TRADE POLICY

"China needs to implement 'credible threats'"

Guangdong 21st Century Publishing Company Ltd.'s business newspaper 21st Century Business Herald (21Shiji Jingji Baodao)(09/29)(pg 2): "Recent trade conflicts, such as increased U.S. tariffs on imported Chinese tires and the EU's anti-dumping duties on Chinese seamless

steel pipes, have highlighted China's lack of strategic responses for dealing with trade disputes. Export-oriented companies in China enjoy favorable policies since the country relies on exports to increase its foreign exchange reserves. These companies usually lower their prices to undercut competitors. However, lower prices affect importing countries and, ultimately, lead to protectionism. If China cannot change this dynamic relatively soon it will face more trouble in the future. China cannot fully rely on WTO rules. The anti-dumping investigation on U.S. poultry products is in fact the appropriate way to react. Experience has shown that implementing a credible threat will have a positive impact and eliminate protectionism early on."

HUNTSMAN